

Indiana Arts Commission
Regional Partnership Initiative – Policy Manual – Appendix B
Governance Standards

1. Definition: "Governance" means a variety of legally mandated activities carried out by the elected governing body of an organization that are not identifiable with any one primary organization function but are indispensable to the conduct of all primary functions and to the organization's corporate existence.
2. Goal: The governance element of the organization seeks to ensure that the organization has the structure, governing board, and organizational planning processes, policies and procedures, and other documents in place in order to help fulfill its mission.
3. Standards: The Governance Standards are organized into the following categories:
 - 1) Corporate Structure
 - A. Authority and Responsibility
 - B. Legal Matters
 - 2) Governing Board
 - A. Membership and Organization
 - B. Diversity
 - C. Responsibilities
 - 3) Organizational Planning
 - A. Long-Range or Strategic Planning
 - B. Planning new Programs and Services

Each standard has a priority level assigned based on the standard's impact on service delivery to constituents and performance as a Regional Arts Partner.

Priority 1: Regional Arts Partner must satisfy this standard.

Priority 2: Regional Arts Partner should satisfy this standard.

Priority 3: Regional Arts Partner may address this standard.

All Governance Standards are Priority 1.

1. Corporate Structure
- 1-A. Authority and Responsibility. The organization is organized and operates according to clear lines of authority and responsibility.
 1. The Articles of Incorporation and/or the Bylaws clearly state the purpose(s) of the organization.
 2. The governing board sets policy, garners resources, assesses needs, and establishes programs as evidenced by the minutes of the governing board.
 3. The chief executive officer of the organization is selected by and reports to the governing board.
 4. There is an organizational chart illustrating the current volunteer leadership structure (i.e., governing board) of the organization.
 5. There is an organizational chart illustrating current lines of authority and relationships of all personnel.
 6. The administration of the organization is the responsibility of the chief professional officer.

7. An individual is designated to be responsible in the absence of the chief professional officer.
 8. There is a written management agreement with a parent organization and all parties are in compliance with the agreement.
 9. There is a written management agreement with "friends of" organization(s) and all parties are in compliance with the agreement.
- 1-B. Legal Matters. The organization fulfills all legal requirements necessary or appropriate to organization operations.
1. The organization is legally authorized to operate as one of the following:
 - A nonprofit organization incorporated in the State of Indiana.
 - A nonprofit organization with its own governing or advisory board organized as an identified part of another organization that is incorporated in the State of Indiana.
 - A unit of local government within the state of Indiana.
 2. If a private nonprofit organization, the organization conforms to any applicable government requirements or regulations including, but not limited to:
 - Maintaining corporate formalities (i.e., holding an annual meeting, keeping minutes for all corporate meetings).
 - Filing corporate documents in a timely manner (i.e., Form 990, payroll taxes).
 - Abiding by current legislation and regulations concerning non-discrimination in hiring employees and serving clients, program and facility accessibility to persons with disabilities, and health and safety.
 - Maintaining records in accordance with state and federal laws and regulations.
 3. If a private nonprofit, the governing board reviews organization Bylaws on a regular basis and revises Bylaws as necessary to remain consistent with current state and federal statutes and regulations.
 4. The organization is in compliance with all requirements included in the most recent Funding Agreement with the Indiana Arts Commission.
 5. The organization consults with attorneys on legal issues.
 6. The governing board is aware of and informed about any litigation involving the organization.
 7. The organization safeguards its corporate legal documents against loss, theft, and damage.
2. Governing Board
- 2-A. Membership and Organization. The membership, structure, and procedures of the governing board are designed to enable the organization to effectively perform its duties.
1. The composition of the governing board includes the different kinds of skills, knowledge, and experience necessary for the performance of its duties (i.e., program, human resources, public relations, legal, financial, fund-raising, facilities, organizational planning).

2. The Governing Board has established policies and procedures for taking action on essential matters between its regularly scheduled meetings and when it is not possible for the full board to meet.
 3. The governing board meets at least quarterly.
 4. The organization has a conflict-of-interest policy for members of the governing board (i.e., permissible and non-permissible financial or personal dealings with the organization, disclosure of financial interests bearing upon organization business; and situations in which board members are required to abstain from voting).
 5. There is an orientation plan and materials to ensure that members of the governing board understand their responsibilities, including legal responsibilities.
 6. The governing board maintains a structure designed to achieve the organization's goals and objectives.
 7. The Articles of Incorporation and/or Bylaws specify the tenure of members, board officers and duties, descriptions of the standing committees including responsibilities, requirements for a quorum, procedures for elections of board members and officers, procedures for the filling of vacancies, and procedures for amending the Bylaws.
 8. There is a clear charge and annual objectives for each standing and ad hoc committee.
 9. The full governing board receives and ratifies reports on committee work and the organization's activities.
 10. The organization's Policy Manual defines job descriptions, operating procedures, etc.
- 2-B. Diversity. The composition of the governing board and advisory committees reflect the diversity within the organization's service area in terms of age, gender, race/ethnicity, disability, and other characteristics. Where the organization's service area does not match the IAC regional service area, the organization achieves representation at the board level for the RPI through additions to the board, an advisory group, committees, and/or other means.
1. The organization has identified the demographic make-up of its region, for at least the following categories: gender, age, race/ethnic origin, socio-economic level, disabilities, and urban/suburban/rural.
 2. The organization has a plan to maintain or improve the diversity of its governing board.
 3. The group or committee responsible for nomination of new members to the governing board uses the regional demographic analysis and diversity plan when recruiting potential board members.
 4. For organizations serving more than one county, there is at least one member of the governing board who resides in each of the counties served.
 5. For organizations serving one county, there are members on the governing board who reside throughout the county.

- 2-C. Responsibilities. The governing board carries out all functions necessary for the effective governance of the organization, including but not limited to, managing the Regional Partnership program and funds in accordance with IAC policies and procedures.
1. The governing board functions in accordance with the organization's Articles of Incorporation, Bylaws, and policy manual.
 2. The governing board reviews the progress of the organization's programs periodically.
 3. The governing board evaluates the performance of the chief executive officer annually.
 4. The governing board reviews the organization's financial statements at least quarterly, ensures that an organization audit is performed in accordance with the Indiana Arts Commission guidelines, reviews the results of the annual audit, and institutes any necessary procedural changes.
 5. The Articles of Incorporation and the Bylaws are reviewed by the governing board at least biennially and revisions are made to them as needed.
 6. The governing board reviews the organization policy manual at least annually, and makes revisions as needed.
 7. The governing board reviews the organization mission statement, revises it as needed, and annually ensures that the goals of each of the organization's programs are consistent with the mission statement.
 8. The governing board adopts annual goals and measurable objectives for the organization and reviews year-end achievement.
 9. The governing board reviews the organization's personnel policies and salary administration plan at least biennially and revises them as needed.
 10. The governing board has adopted and implements an affirmative action statement and reviews the statement at least biennially.
 11. The governing board formulates budgetary priorities, adopts an annual budget prior to the start of the fiscal year, and adopts a funding plan for securing resources to implement the organization's annual goals and objectives.
 12. The governing board conducts annual reviews of insurance coverage for the organization.
 13. The governing board determines organization involvement in public issues and reviews and approves activities undertaken in the organization's name.
 14. The governing board reviews the capital improvement and facilities maintenance needs of the organization at least biennially.

3. Organizational Planning
- 3-A. Long-range or Strategic Planning. The organization operates according to a long-range or strategic plan.
 1. The governing board participates in the long-range or strategic planning process with staff and approves the plan.
 2. The governing board reviews the plan's progress annually and makes adjustments as needed.
 3. Resource allocation and annual management objectives relate to the objectives of the long-range or strategic plan.
 4. The organization has systematically identified internal and external conditions that may influence operations over the next 3-5 years.
 5. The plan contains goals and objectives with specific action steps.
 6. For each action step there is a projected frame for completion and an assigned person or group responsible for its implementation.
 7. The long-range or strategic plan is completely updated every 3-5 years.
- 3-B. Planning New Programs and Services. The organization documents the need for the programs and services it plans to initiate and ensures that goals and objectives of new programs are consistent with the organization's mission statement.
 1. The organization articulates the goals and objectives of new programs and services it wishes to implement and ensures that they are consistent with the organization's mission statement.
 2. The organization conducts its own needs assessment and/or utilizes studies and assessments by outside sources to document the need to develop new programs and services.
 3. When planning new programs and services, the organization identifies gaps and duplication of services in the community.
 4. The organization articulates measurable goals and objectives for new programs and services.
 5. The organization analyzes resources needed for successful implementation of new programs and services.
 6. The governing board approves grant proposals and funding applications for new programs and services.